

CALIFORNIA OCCUPATIONAL GUIDES

INSURANCE ADJUSTERS, EXAMINERS, AND INVESTIGATORS

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INTEREST AREA
ENTERPRISING



WHAT DO INSURANCE ADJUSTERS, EXAMINERS, AND INVESTIGATORS DO?

Individuals and businesses purchase insurance policies for protection against financial loss from injury, illness, death, property damage, or liability for harm or loss to other people. INSURANCE ADJUSTERS, EXAMINERS, and INVESTIGATORS act as intermediaries with the public. Within insurance companies, these workers process claims, interpret or explain policies, and resolve billing disputes. When a policyholder submits a claim for a loss, Adjusters and Examiners determine whether the client's policy covers the loss and the amount of the loss covered. Then they evaluate the facts and write up the settlements.

Examiners

In life and health insurance companies, Insurance Examiners usually concentrate on hospital, dental, or prescription drug claims. They review health related claims to determine if the charges are reasonable considering the medical diagnosis. Next, Examiners will make a decision to authorize payment or refer the claim to an Investigator if there is a suspicion of fraud.

Adjusters

Insurance Adjusters usually work in property and casualty insurance processing loss claims filed by automobile, homeowner, or commercial policyholders. Adjusters contact clients either in person, by telephone, or mail to obtain details about an accident or property loss. More complex cases are referred to more experienced or senior adjusters. Adjusters specialize by type of insurance: homeowner, automotive damage, bodily injury, business losses, or workers' compensation.

Inside Adjusters usually work in insurance company call centers where they obtain information from claimants and process claims.

Outside Adjusters generally work outdoors in the field where they inspect and appraise vehicle or property damage, interview witnesses, and perform routine investigation.

Public Adjusters do not work for insurance companies. They represent and work for the best interests of the insured or claimant, rather than the insurance company. Public Adjusters help the insured or claimants prepare and present claims to insurance companies and intercede for a fair settlement.

Auto Damage Appraisers work for insurance companies or independent adjusting firms. They inspect accident damage

and calculate repair costs. Many Appraisers and Adjusters use digital cameras to photograph damaged property and vehicles. The photographs are sent via laptop computers to the insurance company. Appraisers then download necessary insurance files and forms to process the claim. New computer technologies contribute to faster claim processing.

Investigators

When Insurance Adjusters, Examiners, or Appraisers suspect insurance fraud, they refer the claim to an Insurance Investigator. Investigators conduct a thorough investigation to make a determination whether the claim is valid or should be referred to law enforcement authorities. Typically, Investigators begin the inquiry with a database search for background and prior insurance claims history information. Investigators may conduct tape recorded interviews with witnesses. They may also conduct surveillance activities such as observing workers' compensation claimants for activities inconsistent with their claim.

Insurance Adjusters, Examiners, and Investigators perform the following tasks:

- Investigate and assess damage to property or to persons.
- Interview or correspond with claimant and witnesses, consult police and hospital records, and inspect property damage to determine extent of liability.
- Interview or correspond with agents and claimants to correct errors or omissions and to investigate questionable claims.
- Analyze information gathered by investigation and report findings and recommendations.
- Negotiate claim settlements and recommend litigation when settlement cannot be negotiated.
- Examine titles to property to determine validity and act as company agent in transactions with property owners.
- Examine claims form and other records to determine insurance coverage.
- Collect evidence to support contested claims in court.
- Prepare report of findings of investigation.
- Refer questionable claims to investigator or claims adjuster for investigation or settlement.
- Obtain credit information from banks and other credit services.

WHAT SKILLS ARE IMPORTANT?

Important skills, knowledge, and abilities for Insurance Adjusters, Examiners, and Investigators include:

- Mathematics – Knowledge of arithmetic, algebra, geometry, calculus, statistics, and their applications.
- Law and Government – Knowledge of laws, legal codes, court procedures, government regulations, and agency rules.
- Economics and Accounting – Knowledge of economic and accounting principles and practices, the financial markets, banking and the analysis and reporting of financial data.
- Active Listening – Giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.
- Reading Comprehension – Understanding written sentences and paragraphs in work-related documents.
- Writing – Communicating effectively in writing as appropriate for the needs of the audience.
- Critical Thinking – Using logic and reasoning to identify the strengths and weaknesses of alternative solutions, conclusions or approaches to problems.
- Oral Expression – The ability to communicate information and ideas in speaking so others will understand.
- Near Vision – The ability to see details at close range (within a few feet of the observer).
- Deductive Reasoning – The ability to apply general rules to specific problems to produce answers that make sense.

WHAT'S THE WORK ENVIRONMENT?

Insurance Examiners working for health or life insurance companies work in typical modern office buildings equipped with the latest office machines and computers. It can be stressful working to meet the conflicting demands of providing helpful customer service and denying claims, when necessary.

Property and Casualty Insurance Adjusters typically work outside the office with less supervision, inspecting damaged buildings and automobiles. Occasional travel is necessary to evaluate the scene of an accident or disaster, such as a flood. Many Adjusters work inside their offices for only a few hours per week. Adjusters must be cautious when working in damaged buildings with hazards such as weak structures and collapsed roofs and floors.

Insurance Investigators spend some of their time in the office making telephone calls and conducting computer database searches. They spend much of their time outside the office interviewing clients and witnesses and conducting surveillance. The job can be stressful and hazardous at times because the work can entail hostile conflicts with clients involved in a case.

Union Membership

There has been little or no unionization of this occupation.

WHAT'S THE CALIFORNIA JOB OUTLOOK?

The following information is from the occupational projections produced by the Employment Development Department (EDD) Labor Market Information Division (LMID):

Estimated number of workers in 2002:	31,600
Estimated number of workers in 2012:	38,000
Projected Growth 2002-2012:	20.3%
Est. openings due to separations by 2012:	3,900

These figures do not include self-employment.

This occupation, Insurance Adjusters, Examiners, and Investigators will grow at an average pace compared with all occupations in California. However, employment opportunities will continue to exist, as these jobs are not easily automated.

There will be a total of 10,300 job opportunities in this occupation during the projections period. The total number of annual job opportunities in this occupation will be 1,030.

Nationally, two percent of Adjusters, Examiners, and Investigators are self-employed.

Trends

Increasingly insurance companies will provide business services through telephone call centers that provide extended business hours to customers. Customers initially speak to customer service representatives that gather initial claim loss information that is passed along to an Adjuster or Examiner for further processing. Claim intake through call centers will allow Adjusters more time to examine claims.

Advances in computer technology also streamlines claim processing as field workers can send photos of damaged vehicles and property to adjusters via the Internet.

WHAT DOES THE JOB PAY?

California Earnings

The following information is from the Occupational Employment Statistics Survey of Employers by EDD/LMID.

Claims Adjusters, Examiners, and Investigators 2005 Wages

Hourly wages range from	\$18.70	to	\$31.23
Average hourly wage	\$25.57		
Average annual wage	\$53,185		

These figures do not include self-employment.

Fraud Investigators employed with the California State Department of Insurance are sworn peace officers and are paid between: \$3,472 and \$5,249. Refer to the California State Personnel Board for additional information. (See Other Sources of Information.)

Hours

Insurance Examiners working for life or health insurance companies usually work a 40-hour week, Monday through Friday.

Adjusters often work varied hours outside the office to evaluate auto or property damage costs. Working weekend and evening hours is sometimes required to meet with clients. During disasters, Adjusters are required to work long hours.

Insurance Investigators also work varied hours and days, including weekends, outside the office conducting surveillance on potential fraud cases. Some Investigators work flexible hours from home e-mailing or faxing reports to their employer.

Benefits

Insurance Adjusters, Examiners, and Investigators generally receive sick leave, vacation, health insurance, group life, and pension plans.

Field Adjusters usually receive an expense account and the use of a company car or mileage.

Self-employed Adjusters and Investigators are responsible for purchasing their own benefits.

HOW DO I PREPARE FOR THE JOB?

Education and Training

Most insurance companies prefer to hire Adjusters, Examiners, and Investigators with a bachelor's degree. A specific major is not required. College education should include courses in finance, economics, accounting, business law, business administration, mathematics, and computer technology including training in a variety of software products.

Many insurance companies prefer to hire Investigators with prior experience as a law enforcement officer or private investigator. However, experienced Adjusters and Examiners may become Investigators.

Licensing and Certification

Insurance Adjusters must have two years certified experience in the insurance adjusting field to meet the pre-licensing experience requirement.

License Requirements:

- Complete an Application for Individual Adjuster License.
- Bond of Insurance Adjuster.
- Fingerprint clearance.
- Public Adjusters must complete a Public Insurance Adjuster Authorization Application.

Refer to the Department of Insurance for additional license information. (See *Other Sources of Information*.)

Examiners working in life and health insurance industries often obtain voluntary certification to enhance their skills and employability. There are a number of certification programs available. Two educational programs, Associate, Life and Health Claims (ALHC) and Fellow, Life and Health Claims (FLHC) allow life and health claim examiners to obtain professional designation. The FLHC program provides a more advanced level of claim education. Refer to the International Claim Association for educational and examination information.

The Associate in Claims (AIC) designation is devised to improve property and casualty Adjusters claim processing skills. The AIC is obtained through the Insurance Institute of America after successfully passing four written examinations. (See *Other Sources of Information*.)

Investigators employed with the California State Department of Insurance are required to maintain Peace Officer Standards and Training (POST) certification. These investigators are authorized to carry fire arms and make arrests.

Continuing Education

Continuing education is not required for Insurance Adjusters or Public Insurance Adjusters. However, voluntary continuing education courses are available through the associations listed under *Other Sources of Information*.

HOW DO I FIND THE JOB?

Direct contact with local insurance company managers remains one of the most effective job search methods. Local insurance company managers or agents may refer job seekers to a central office human resource contact. Most Insurance Adjusters, Examiners, and Investigators are employed in the insurance industry in the following fields: Fire, marine, and casualty insurance; insurance agents; brokers; and medical service; and health insurance.

Search these **yellow page** headings for listings of private firms:

- Adjusters
- Insurance
- Insurance Examiners
- Insurance Claim Processing Services
- Insurance Inspections and Audits

The following Internet resources can be helpful to the job search process:

America's Career InfoNet
www.acinet.org

America's Job Bank
www.ajb.dni.us

CalJOBSSM
www.caljobs.ca.gov

Job Search and Resume Writing
www.worksmart.ca.gov/success_tips_menu.html

Local Job Service Offices
www.edd.ca.gov/jsrep/jsloc.htm

Occupational Information Network (O*NET) Online
<http://online.onetcenter.org>

One-Stop Career Centers List
www.edd.ca.gov/ONE-STOP/pic.htm

For statewide and local projections, wages, employers by county, and other occupational information go to www.labormarketinfo.edd.ca.gov and select *Find an Occupation Profile*.

WHERE CAN THE JOB LEAD?

Beginning Insurance Adjusters, Examiners, and Investigators work under the supervision of an experienced worker on less complicated claims during their training period. As they display increasing competence with claims processing and settlement, they may promote to claims manager. Others may elect to become self-employed by setting up their own independent adjusting or auto damage appraising firms.

Experienced Insurance Investigators may advance to supervisor or manager of an investigations department.

Movement between insurance fields such as, life and health to property and casualty will require further education and certification.

OTHER SOURCES OF INFORMATION

Department of Insurance, State of California
Producer Licensing Bureau
320 Capitol Mall
Sacramento, CA 95814
(800) 967-9331
www.insurance.ca.gov

Insurance Institute of America
720 Providence Road
Malvern, PA 19355
(800) 644-2101
www.aicpcu.org

International Claim Association
1 Thomas Circle NW, 10th Floor
Washington, DC 20005
(202) 452-0143
www.claim.org

National Association of Public Insurance Adjusters
21165 Whitfield Place, #105
Potomac Falls, VA 20165
(703) 433-9217
www.napia.com

National Society of Professional Insurance
Investigators
P.O. Box 88
Delaware, OH 43015
(888) 677-4498
www.nspii.com

State Personnel Board, State of California
801 Capitol Mall
Sacramento, CA 95814
(916) 653-1705
www.spb.ca.gov

RELATED OCCUPATIONAL GUIDES

Insurance Underwriters	No. 55
Actuaries	No. 318
Insurance Sales Agents	No. 455

OCCUPATIONAL CODE REFERENCES

SOC (*Standard Occupational Classification*)

Claims Adjusters, Examiners, and Investigators	13-1031
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O*NET (*Occupational Information Network*)

Insurance Adjusters, Examiners, and Investigators	13-1031.02
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OES (*Occupational Employment Statistics*)

Insurance Adjusters, Examiners and Investigators	53302
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